

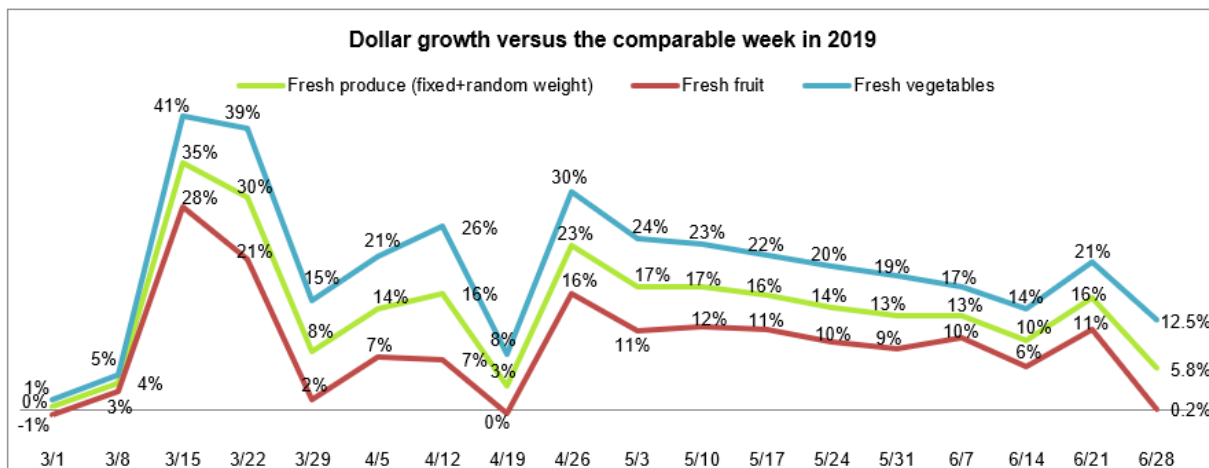
Fresh produce sales growth at U.S. retail in the week ended June 28 saw its lowest year-on-year gain since mid-April, with total fruit sales coming in on par with the same week last year.

Sales of fresh produce were up 5.8% in the week, a sharp drop from the previous two months. Fresh fruit growth was negligible at 0.2%, while fresh vegetables were up 12.5%.

Frozen and canned produce sales still performed strongly, registering growth of 15.1% and 22% respectively.

“Banking on elevated everyday demand alone, we expected this week to be down from the prior week,” said Joe Watson, VP of Membership and Engagement for the Produce Marketing Association (PMA).

“However, the decline to single-digit gains shows that we need to continue to work hard to stay ahead of last year. Next week, we will have the benefit of the July 4th holiday, but after that, we have many regular weeks until Labor Day and going back to our basic merchandising principles to optimize planned and impulse purchases is key.”



Source: Source: IRI, Total U.S., MULO, 1 week % change vs. YA

Jonna Parker, Team Lead, Fresh for IRI, said the "meager fruit gain is a bit worrisome".

“With the great assortment of summer fruits and all the added meal occasions, fruit should have good opportunity to gain year-over-year,” she said.

"At the same time, we know fruit is much more impulse driven versus vegetables and the lack of trips no doubt has a negative impact. That means the solution is optimizing planned

fruit purchases by driving demand beyond the four walls of the store."

Despite much lower gains for fresh versus frozen and canned, the produce department held steady at 83% of total fruit and vegetable sales across the store.

At \$1.36bn in sales during the week of June 28, fresh produce is significantly larger than canned (\$155m) and frozen fruits and vegetables (\$124m), which means growth percentages are likely to be much lower.

"It is good to see that despite the drop in sales gains, fresh produce maintained its share," said Watson. "That means that shoppers were simply buying less overall, not just fresh produce. However, while climbing back up, foodservice sales continue to be down and this is retail's time to help grower/shippers offset the loss in business on the restaurant side."

The weak fresh fruit gains relate back to declines in several key summer categories, including melons, cherries, grapes and peaches.

"Only the orange category is left with high double-digit gains, with others in low or mid single digits. I think there is a big lesson in the strength of oranges since the onset of the pandemic and that is nutritional benefits," Parker said.

In contrast to fruit, all top 10 vegetables increased in dollar sales versus year ago and many did so with double-digit gains. Lettuce was the top sales category at nearly double the sales of tomatoes and potatoes followed in third.

"The strength in the overall vegetable number comes from high consumer engagement across the board versus just a handful of big sellers," said Parker.

"These are all cooking and snacking basics that show consumers are still preparing breakfast, lunch and dinner at home at greater rates than they were pre-pandemic. With carrots and broccoli sharing the number nine slot, squash made it into the top 10 this week — a great example of how the summer harvest can help boost department sales."